

## **Medicare in the 21<sup>st</sup> Century: Changing beneficiary profile**

**ISSUE:** The profile of Medicare beneficiaries is likely to change in important ways over the coming decades. As the beneficiary profile changes, beneficiaries' needs and preferences for health care also change. In response, Medicare could be modified to better serve future beneficiaries.

**KEY POINTS:** Some of the changes in the beneficiary profile that could have important implications for the Medicare program include: fewer beneficiaries with employer-sponsored insurance, a greater proportion of obese beneficiaries, a different racial profile, more years of formal education, fluctuations in the percentage of beneficiaries age 85 or older, and changes in per capita income and the distribution of income. Our goals are to identify which of the changing characteristics in the beneficiary profile will have the greatest impact on the Medicare program and to develop modifications to the program needed to address the profile changes.

**ACTION:** Staff seeks Commissioners' feedback on whether we should continue to work on this issue. If work does continue, we seek guidance on the direction of the work.

**STAFF CONTACT:** Dan Zabinski (202-220-3722)